Distr.
GENERAL

TD/B/42(2)/8
TD/B/WP/94
9 January 1996

Original: ENGLISH

Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-sixth session

held at the Palais des Nations, Geneva,
from 5 to 8 December 1995

GE.96-50022 (E)

CONTENTS

Chapter		Paragraphs
	Introduction	1
I.	Review of the technical cooperation activities of UNCTAD and their financing (agenda item 3)	2 - 11
II.	Organizational matters	12 - 18

Annexes

I. Agreed conclusions

II. Attendance

INTRODUCTION

1. The twenty-sixth session of the Working Party on the Medium-term Plan and the Programme Budget was held at the Palais des Nations, Geneva, from 5 to 8 December 1995. In the course of the session, the Working Party held two plenary meetings - the 110th to 111th meetings. All other meetings were informal and held in private.

Chapter I

REVIEW OF THE TECHNICAL COOPERATION ACTIVITIES OF UNCTAD AND THEIR FINANCING

(Agenda item 3)

2. For its consideration of this agenda item, the Working Party had before it the following documentation:

"Technical cooperation programme of UNCTAD, 1994 - report by the UNCTAD secretariat" (TD/B/WP/92 and Add.1);

"In-depth study on UNCTAD's ASYCUDA programme - study by the UNCTAD secretariat" (TD/B/WP/93).

3. The **Deputy to the Secretary-General of UNCTAD**, introducing the item, said that technical cooperation expenditures of UNCTAD would amount to about $43 million for the biennium 1994-1995. This figure corresponded to about 40 per cent of the programme budget. Funding by UNDP had decreased since the 1980s and its share had fallen to about 50 per cent in 1994 and 37 per cent in 1995. Overall delivery had, however, been maintained because of the increase in contributions to trust funds, which had averaged $2 million in the 1980s but now exceeded $12 million annually. As requested by member States, UNCTAD was coordinating its technical cooperation activities with those of other organizations, particularly ITC and more recently WTO.

4. An international seminar had been organised by the Swiss authorities in cooperation with UNCTAD in Ascona on 23-24 November on "technical cooperation for trade and development in the face of globalization". The seminar had highlighted the need to ensure adequate coordination among trade-related technical cooperation agencies. Information was available in the secretariat's report (TD/B/WP/92) on action taken by the secretariat to implement the recommendations arising out of the 1994 policy review of technical cooperation by the Board.

5. With regard to the in-depth study of the ASYCUDA Programme (TD/B/WP/93), the study contained a number of lessons learnt and recommendations for action. A special presentation would also be made to the Working Party on UNCTAD activities in support of national capacity-building associated with international trade negotiations.

6. The Secretary-General of UNCTAD wished to stress the importance he attached to an effective technical cooperation programme, which offered a visible and practical example of UNCTAD's relevance. With regard to priority-setting, the ex post composition of the programme was the result of many individual decisions made by beneficiaries, donors and the secretariat, but all UNCTAD-executed projects were expected to satisfy certain basic criteria.

7. Finally, he expressed his appreciation to donors for their contributions to UNCTAD's technical cooperation programme. However, continued or increased support would be necessary to meet the needs of the countries requiring particular assistance, namely the countries in Africa and the least developed countries.

8. The representative of **Switzerland** said that the Ascona seminar on technical cooperation in trade (23-24 November 1995) had had two objectives: one was to identify new technical cooperation requirements in the wake of the Uruguay Round, and the other was to strengthen cooperation among the various international organizations providing technical assistance. The first objective had been substantially met, and in particular the excellent paper presented by UNCTAD had contributed to a better understanding of the immediate and long-term requirements. For the second objective, however, a clear division of labour and demarcation among the various organizations providing technical assistance had not proved possible. The seminar had agreed that the best approach was to promote "centres of excellence" in the various organizations based on their comparative advantage. In the case of UNCTAD, Switzerland had supported and would continue to support programmes which were in line with that principle, particularly those programmes relating to debt management, trade efficiency, and risk management in commodities. A positive interaction between technical cooperation and the substantive work of UNCTAD's intergovernmental machinery was beneficial to both, and a good example of such interaction was provided by the trade efficiency programme.

9. ASYCUDA was at the centre of discussion at the current session of the Working Party. The secretariat's report (TD/B/WP/93) recorded the impressive achievements of the ASYCUDA programme, but his delegation was disappointed with the report. It lacked coherence, was thin in terms of recommendations and contained sweeping criticism of the programme which was not substantiated by the text. Moreover, it referred to donor concerns, but Switzerland as a donor had not been consulted, and his delegation was not aware that such concerns had been expressed. Of course, there was room for improvement in the programme, particularly with regard to communication between the secretariat, donors and beneficiaries. Finally, he expressed his delegation's concern at the lack of progress in establishing an equitable and transparent allocation of overheads in the secretariat. He hoped the Working Party would receive a report on this matter.

Action by the Working Party

10. At its 111th (closing) plenary, on 8 December 1995, the **Working Party** adopted draft agreed conclusions (TD/B/WP/L.73). (For the text of the agreed conclusions, see annex I.)

Closing statement

11. The representative of the **Russian Federation** said that his delegation greatly valued the UNCTAD secretariat's technical cooperation programme, which

should continue to be an important area of activity for UNCTAD. The innovative approach taken by the secretariat was reflected in seminars that had taken place recently, including the seminar on FDI in a globalizing world economy, held at Divonne, France, the regional seminars designed to help countries that were not members of WTO to compete in the world trading system, and the seminar on technical cooperation for trade and development in the face of globalization, held at Ascona, Switzerland. The results of such activities were useful, particularly in the context of preparations for UNCTAD IX.

Chapter II

ORGANIZATIONAL MATTERS

A. Opening of the session

12. The twenty-sixth session of the Working Party was opened on 5 December 1995 by Mr. Markus Kummer (Switzerland), Chairman of the Working Party at its twenty-fifth session.

B. Election of officers

(Agenda item 1)

13. At its 110th (opening) plenary meeting, on 5 December 1995, the Working Party elected Mr. Miroslav Pise (Czech Republic) as its Chairman and Mr. Behzad Alipour Tehrani (Islamic Republic of Iran) as its Vice-Chairman-cum-Rapporteur.

C. Adoption of the agenda and organization of work

(Agenda item 2)

14. Also at its 110th plenary meeting, the Working Party adopted the provisional agenda for its twenty-sixth session (TD/B/WP/91), as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the technical cooperation activities of UNCTAD and their financing
4. Provisional agenda for the twenty-seventh session of the Working Party
5. Other business
6. Adoption of the report of the Working Party to the Trade and Development Board.

D. Provisional agenda for the twenty-seventh session of the Working Party

(Agenda item 4)

15. The **Chief, Programme Coordination and Evaluation Unit**, said that the next session of the Working Party should normally be devoted to consideration of the medium-term plan for the period 1998-2001. It was hoped that the Working Party would meet immediately after UNCTAD IX in order to review the draft medium-term plan in the light of the outcome of the Conference. Delegations would be kept fully informed of developments in that connection.

16. The **Director of Programme Support and Management Services** said that the question of UNCTAD publications had been raised in the report of ACABQ in the context of the 1996-1997 programme budget. In paragraph IV.36 of its report (A/50/7), ACABQ had recommended that the matter of UNCTAD publications be given urgent consideration and that the intergovernmental machinery of UNCTAD become actively involved in an in-depth review of UNCTAD's publications programme. On the assumption that the report of ACABQ would be endorsed by the Fifth Committee, the Working Party might wish to discuss the question of UNCTAD publications as a separate item at its next or another future session, and if so the secretariat would provide the necessary information and inputs.

17. The **Working Party** agreed that the provisional agenda for its next session should be drawn up within the framework of informal consultations.

E. Adoption of the report of the Working Party to the Trade and Development Report

(Agenda item 6)

18. At its 111th (closing) plenary meeting, on 8 December 1995, the Working Party adopted its draft report (TD/B/WP/L.72) and authorized the Rapporteur to complete the report in the light of the proceedings of the closing plenary.

Annex I

AGREED CONCLUSIONS

The Working Party:

1. Takes note with appreciation of the report on technical cooperation activities of UNCTAD and their financing and the complementary statistical information submitted by the secretariat (TD/B/WP/92 and Add.1);

2. Notes with concern the adverse impact on several of UNCTAD's technical cooperation activities of continued reduced levels of funding available from UNDP;

3. Welcomes the increasing financial support for UNCTAD's technical cooperation programmes by member States and other donors;

4. Requests the secretariat to continue to keep Permanent Missions in Geneva informed, on a regular basis, of relevant developments and progress in the area of technical cooperation;

5. Takes note of the information provided by the secretariat concerning the allocation of support costs, and requests the secretariat to provide detailed written information on progress made in the implementation of relevant Board decisions;

6. Requests the secretariat to provide further information concerning the use of programme budget funds for the back-stopping of technical cooperation activities;

7. Encourages the secretariat to improve the exchange of information on technical cooperation activities by and with other organizations providing technical cooperation in trade and development and to seek to conclude memoranda of understanding with them, with a view to improving cooperation and ensuring synergy and complementarity;

8. Takes note of the in-depth study on the ASYCUDA programme (TD/B/WP/93);

9. Commends the secretariat for the rapidly growing ASYCUDA programme, which has proved to be an effective and important instrument for customs reform and modernization worldwide in the context of the Trade Point programme and the Trade Efficiency initiative;

10. Stresses the need for the ASYCUDA programme to be maintained on a regular and sustainable basis within the context of UNCTAD's overall resource constraints and programmatic priorities.

11. Requests the secretariat, in the context of the preparations for UNCTAD IX:

(a) To develop options for amending the ASYCUDA programme and resource structures as necessary to enhance the programme's long-term financial viability;

(b) To undertake the preparatory work for the establishment of a mechanism for regular consultations among donors, beneficiaries and the secretariat on ASYCUDA.

12. Requests the secretariat, on the occasion of the next review of technical cooperation, to present documentation that includes:

(a) Data identifying separately UNCTAD's cooperation in least developed countries;

(b) Comparative data on the evolution of expenditures by region and programme going back over a period of four years;

(c) An in-depth study on the TRAINFORTRADE programme;

(d) A report on the topic of technical cooperation in the area of competition laws and policy.

Annex II

MEMBERSHIP AND ATTENDANCE*

1. The following States members of UNCTAD, members of the Working Party, were represented at the session:

Argentina
China
Czech Republic
India
Iran (Islamic Republic of)
Japan
Mexico
Nigeria
Poland
Russian Federation
Sri Lanka
Sweden
Switzerland
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America

2. The following other States members of UNCTAD, not members of the Working Party, were represented as observers at the session:

Bulgaria
Chile
Cuba
Ecuador
Egypt
El Salvador
France
Gabon
Germany
Guatemala
Honduras
Hungary
Ireland
Italy
Morocco
Nicaragua
Norway
Panama
Philippines
Qatar

* For the list of participants, see TD/B/WP/INF.32.